

Message Text

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ACTION EB-08

INFO OCT-01 ARA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

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FM AMEMBASSY MEXICO

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E.O. 11652: N/A

TAGS: EAIR MX US

SUBJ: CIVAIR: US-MEXICAN CIVAIR NEGOTIATIONS - DUTY FREE ENTRY
INTO MEXICO OF U.S. AIRLINE PROMOTIONAL MATERIALS

REF: A) MEXICO A-29 OF 18 FEB 77 B) MEXICO A-23 OF 24 FEB 77

SUMMARY: EMBASSY RECOMMENDS USG OBTAIN PROVISION COVERING
DUTY FREE ENTRY OF AIRLINE PROMOTIONAL MATERIALS IN U.S.-
MEXICAN CIVAIR NEGOTIATIONS. END SUMMARY.

1. GOM LEVIES 100 PER CENT AD VALOREM DUTY ON PRINTED PROMOTIONAL MATERIALS (AIRLINE SCHEDULES, TRAVEL BROCHURES AND PAMPHLETS, POSTERS, ETC.) IMPORTED BY AMERICAN AIRLINES OPERATING IN MEXICO. BECAUSE OF THE PROHIBITIVE DUTY, THE AIRLINES KEEP IMPORTS TO A BARE MINIMUM (IN PRACTICE, THEY DRAW ILLICITLY FROM BONDED SUPPLIES PERMITTED INTO THE COUNTRY BY MEXICAN CUSTOMS FOR USE SOLELY ON THEIR NORTHBOUND FLIGHTS), DEPEND ON USTS IMPORTED MATERIALS AND USE LOCAL PRINTERS FOR DOMESTIC NEEDS. THE AIRLINES STATE THAT MANY OF THEIR REQUIREMENTS CAN BE FULFILLED ONLY BY MEXICAN PRINTERS AND WILL CONTINUE TO BE. HOWEVER, WITH RESPECT TO CERTAIN ITEMS -- POSTS, ENGLISH LANGUAGE SCHEDULES AND U.S. TOURISM PROMOTIONAL MATERIALS -- IT MARKES NO SENSE TO PRINT THE LIMITED QUANTITY THEY NEED LOCALLY BECAUSE

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OF THE COST, PARTICULARLY WHEN THE SAME ITEMS ARE AVAILABLE FROM U.S. CORPORATE HEADQUARTERS AT A MUCH LOWER PRICE BECAUSE OF LARGE PRINTING RUNDS. ACCORDINGLY, THE AIRLINES WOULD LIKE TO BE ABLE TO IMPORT THESE MATERIALS ON A DUTY FREE BASIS.

2. EMBASSY RECOMMENDS USG SEEK AND OBTAIN PROVISION FOR

DUTY-FREE ENTRY INTO MEXICO OF U.S.-PRINTED AIRLINE PROMOTIONAL MATERIALS IN UPCOMING NEGOTIATIONS U.S.-MEXICAN CIVIL AIR FOR THE FOLLOWING REASONS: (A) TO END PRESENT IRREGULAR PRACTICE OF U.S. AIRLINES HAVING TO DRAW ON BONDED SUPPLIES; (B) TO PLACE U.S. AIRLINES ON EQUAL FOOTING WITH THEIR MEXICAN COUNTERPARTS, WHOSE PROMOTIONAL MATERIALS ENTER THE U.S. DUTY FREE; AND (C) TO PERMIT U.S. AIRLINES TO HAVE ADEQUATE SUPPLIES OF NEEDED PRINTED MATTER TO PROMOTE AND ADVERTISE TOURISM TO THE UNITED STATES. THIS LATTER POINT IS IMPORTANT GIVEN THE RECENT PESO DEVALUATIONS WHICH HAVE RESULTED IN A PRECIPITIOUS FALL-OFF IN MEXICAN TOURISTS TO THE U.S.

3. PRECEDENT FOR INCLUSION OF A DUTY FREE PROVISION COVERING AIRLINES PROMOTIONAL MATERIAL CAN BE FOUND IN TWO OF THE MOST RECENT CIVIL AIR AGREEMENTS CONCLUDED BY THE GOM. SEE ARTICLE 8, PARA 1, OF THE MEXICAN-USSR AVIATION AGREEMENT (ENCLOSURE TO REF A) AND ARTICLE 7, PARA 2, OF THE MEXICAN-ISRAELI AVIATION AGREEMENT (ENCLOSURE TO REF B).
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Message Attributes

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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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